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RUEHLO/AMEMBASSY LONDON 1594  
RUEHNM/AMEMBASSY NIAMEY 2858  
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DEPT FOR AF, EB, USTR FOR BILL JACKSON, LONDON AND PARIS  
FOR AFRICA WATCHERS

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SUBJECT: CHAD'S COMMERCE MINISTER FOLLOWING WASHINGTON VISIT

¶1. SUMMARY: While noting the positive spirit of meetings in Washington and understanding of the U.S. position in the WTO trade negotiations, Chad's Minister of Commerce reiterated Chad's insistence on the specific treatment of cotton in the context of global trade discussions. He was also critical of the methodology used in determining Chad's MCC ranking. The Minister noted Chad's interest in hosting the 2009 AGOA forum. END SUMMARY.

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POSITIVE WASHINGTON MEETINGS, POSITION ON COTTON REMAINS FIRM  
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¶2. In a meeting with the Ambassador on November 6, Chad's Commerce Minister Youssouf Abasallah said that his recent trip to Washington to participate in the Woodrow Wilson Center's Cotton Roundtable and meet with U.S. officials on the cotton issue was "extremely fruitful." The minister said that he appreciated the warm welcome that he received in Washington, and was pleased to see the United States' commitment to discussing the cotton issue with African cotton-producing countries. He added that he understood the U.S. position on the need for a global trade agreement, and realized the political pressures that the U.S. faced from its domestic cotton growers.

¶3. Nevertheless, Abasallah insisted that the longer the United States and the Europeans continued to bicker about reductions in domestic subsidies, the more Africans, who relied upon cotton production for their livelihoods, suffered. He noted that cotton needed to be treated in a "rapid, specific, and ambitious" manner that C-4 countries had insisted upon prior to last year's WTO negotiations in Hong Kong. The Ambassador stated that the United States was prepared to deal with the subsidies issue, but in the context of a global agreement. He called upon Chad and the other C-4 countries to engage the European Union on the issue on subsidies.

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COMMENTS ON CHAD'S MCC RANKING  
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¶4. Abasallah said that following his meeting with officials from the Millennium Challenge Corporation, he was concerned

that Chad's ranking was based on outdated information, and was possibly influenced by political perceptions of Chad from international financial institutions such as the World Bank. The Ambassador assured the Minister that the MCC rankings were based on objective formulas that focused on specific criteria, and were not motivated by political perceptions. Abasallah admitted that Chad needed to improve its performance in the criteria laid out by the MCC rankings. He asserted that the United States and the international community needed to assist Chad in improving its economic and political environment. He was quick to point out that Chad was the only C-4 country that did not receive any assistance from the MCC. The Ambassador responded by pointing out that Chad's expected revenue windfall in 2007 from income tax payments from the oil consortium could be used in the country's development. Chad could demonstrate the country's commitment to good governance. by managing the revenues responsibly.

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POSSIBLE PUSH TO HOST AGOA FORUM  
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15. Abasallah also noted that Chad was still extremely interested in hosting the 2009 AGOA forum. He indicated that his predecessor and other members of the GOC were not pleased that Chad's proposal to host next year's AGOA forum was not received favorably. He said that the GOC is considering beginning discussions with the U.S. and other African officials to host the 2009 forum. The Ambassador asked the Minister to remain in contact with the Embassy on the GOC's intentions with respect to the forum.

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